THE SILVER DEBATE OF 1890.

I.

THE monetary legislation of 1878 was avowedly but a compromise. The various elements in favor of more money took it as the best measure then attainable, but were only made the keener and more determined by their partial success. Throughout the next decade the agitation for more money went on unceasingly in and out of Congress, gaining or losing force as industrial conditions seemed bad or good. In the fall of 1889 it became evident that the circumstances favored legislation during the coming session of Congress, looking to an extension of the currency. The price of silver, falling steadily since 1878, had reached a point where mining was becoming no longer profitable.[1] The mine-owners were clamorous. The spirit of industry, which had been moving strongly westward for two years, had died away, and the inevitable reaction, with its accompaniment of falling prices, had begun, and the cry for more money, always the cry of exigency since the old inflation days, was rising all over the West and South. Added to these significant industrial conditions was the fact that for the first time in several years a single political party held control of the executive and legislative departments of the government, and would be called to account at the polls for any neglect of popular demands. The silver party recognized the favorable opportunity. Their speeches in the National Silver Convention, which met at St. Louis in November, 1889, indicated that they were sanguine of success, and would be satisfied only with the full remonetization of silver. However, despite the popular pressure, Congress met in December with "no definite, well formed opinion existing among the members in favor of the free coinage of silver."[2] But

[1] The ratio had fallen from 1 : 17.38 in 1878 to 1 : 22 in 1889.

[2] Senator PLUMB, *Congressional Record*, vol. xxi. part viii. p. 7102.

it was evident that something important would be done. A great number of bills, introduced in both houses during the first days of the session, calling for government loans on real estate, for the immediate issue of more money, for the repeal of the acts taxing State bank issues, for the regulation of the "natural laws of supply and demand,"[1] etc., together with a shower of petitions praying for the free coinage of silver, indicated the strength of the popular ferment.

January 20, 1890, Mr. Conger, of Iowa, chairman of the committee on Coinage, Weights and Measures in the House, introduced a bill, prepared by the Secretary of the Treasury at the request of the Senate Finance Committee[2] (H.R. 5381), authorizing the issue of Treasury notes on deposits of silver bullion. A similar bill, from the same source, was introduced in the Senate, January 28, by Mr. Morrill, chairman of the Finance Committee[3] These two bills presented the so-called Windom plan. The important sections were as follows:[4]

Be it enacted, etc., That any owner of silver bullion, the product of the mines of the United States or of ores smelted or refined in the United States, may deposit the same at any coinage mint or at any assay office in the United States that the Secretary of the Treasury may designate, and receive therefor Treasury notes hereinafter provided for, equal at the date of deposit to the net value of such silver, at the market price, such price to be determined by the Secretary of the Treasury, under rules and regulations prescribed, based upon the price current in the leading silver markets of the world; but no deposit consisting in whole or in part of silver bullion or foreign silver coins imported into this country, or bars resulting from melted or refined foreign silver coins, shall be received under the provisions of this act.

SECTION 2. That the Secretary of the Treasury shall cause to be

[1] Introduced by Mr. CALL, of Florida, *Congressional Record*, vol. xxi. part i. 1st session LI. Congress, p. 417.

[2] *Record*, vol. xxi. part i. p. 708.

[3] *Record*, vol. xxi. part i. p. 897.

[4] *Record*, vol. xxi. part vi. p. 5650.

It is said that this bill originated with a group of New York bankers, who regarded it as a "buffer" against something worse. It was warmly defended by the late John Jay Knox.

prepared Treasury notes in such amounts as may be required for the purpose of the above section, and in such form and denominations as he may prescribe ; provided, that no note shall be of a denomination less than $1 or more than $1,000.

SEC. 3. That the notes issued under this act shall be receivable for customs, taxes, and all public dues, and when received into the Treasury may be reissued, and such notes, when held by any national banking association, shall be counted as part of its lawful reserve.

SEC. 4. That the notes issued under the provisions of this act shall be redeemed upon demand at the Treasury of the United States or at the office of an Assistant Treasurer of the United States by the issue of a certificate of deposit for the sum of the notes so presented, payable at one of the mints of the United States, in an amount of silver bullion equal in value, on the date of said certificate, to the number of dollars stated therein, at the market price of silver, to be determined as provided in section 1; or such notes may be redeemed in gold coin at the option of the Government ; Provided, That upon demand of the holder such notes shall be redeemed in silver dollars.

SEC. 5. That when the market price of silver, as determined by the Secretary of the Treasury, shall exceed $1 for 371.25 grains of pure silver, it shall be the duty of the Secretary of the Treasury to refuse to receive deposits of silver bullion for the purposes of this act.

SEC. 6. That it shall be lawful for the Secretary of the Treasury, with the approval of the President of the United States, to suspend, temporarily, the receipt of silver bullion for Treasury notes at any time when he is satisfied that through combinations or speculative manipulation of the market the price of silver is arbitrary, nominal, or fictitious.

SEC. 7. That the silver bullion deposited under this act, represented by Treasury notes which have been redeemed in gold coin or in silver dollars, may be coined into standard silver dollars or any other denomination of silver coin now authorized by law, for the purpose of replacing the coin used in the redemption of the notes.

SEC. 8. That so much of the act of February 28, 1878, entitled "An act to authorize the coinage of the standard silver dollar and to restore its legal-tender character," as requires the monthly purchase and coinage into silver dollars of not less than $2,000,000 nor more than $4,000,000 worth of silver bullion, is hereby repealed.

This bill was nominally the parent of the bills on this subject debated during the session, and contained the feature which espe-

cially distinguished them from the legislation of 1878 ; that is, the government, instead of purchasing bullion for coinage as in the Act of 1878, was to hold the bullion in its vaults, only coining for the purpose of redeeming the notes issued thereon. This was an eminently conservative measure looked at from the point of view of free coinage. Treasury notes issued at the market value of the bullion, redeemable at the market price of the bullion in silver, with repeal of compulsory coinage and power given to the Secretary of the Treasury to suspend the receipt of silver, afforded little solace either to the mine-owners hoping for a strong bullion market, or to the debtors longing for higher prices. The evident enormity in finance of redeeming all certificates, even if silver should depreciate, at the value of silver when the deposit was made,—an attempt to prevent the value of silver from ever falling below its value at the time of general deposit—was not enough. While the bimetallist saw in the proposition only a strengthening of the gold monometallic policy, the bill in fact was too conservative to be reported by the committees.

February 25, Mr. Jones, of Nevada, from the Finance Committee, reported to the Senate a substitute (s. 2350), called the Jones Bill, requiring in the main that the Secretary of the Treasury purchase $4,500,000 worth of silver bullion per month, that Treasury notes be issued in payment of the bullion, and that these notes be redeemable in "lawful money of the United States."[1] This bill, together with an amendment offered by Mr. Sherman, intended to add immediately to the circulation, requiring the Secretary of the Treasury to cover into the Treasury as a miscellaneous receipt, "the balances standing with the Treasurer of the United States to the respective credits of the national banks for deposits made to redeem the circulating notes of such banks," was considered by the Senate.

In the House, March 26, Mr. Conger, from the committee on Coinage, Weights and Measures, reported the bill prepared by the Secretary of the Treasury, with amendments, providing for free coinage when the market price of silver should reach $1

[1] *Record*, vol. xxi. part ii. p. 1671.

for 371.25 grains, striking out the section (Sec. 6) allowing the Secretary of the Treasury to suspend the receipt of silver bullion, and adding a section intended to guard against the deposit of foreign silver bullion. The bill was then practically dropped until June 5. On that date Mr. Conger offered a substitute which became the bill of the House. The important sections read as follows:[1]

That the Secretary of the Treasury is hereby directed to purchase from time to time silver bullion to the aggregate amount of $4,500,000 worth in each month, at the market price thereof, not exceeding $1 for 371.25 grains of pure silver, and to issue in payment for such purchases of silver bullion Treasury notes of the United States, to be prepared by the Secretary of the Treasury in such form and of such denominations, not less than $1 nor more than $1,000, as he may prescribe, and a sum sufficient to carry into effect the provisions of this act is hereby appropriated out of any money in the Treasury not otherwise appropriated.

SEC. 2. That the Treasury notes issued in accordance with the provisions of this act shall be redeemable on demand in coin at the Treasury of the United States, or at the office of any assistant-treasurer of the United States, and when so redeemed may be reissued; but no greater or less amount of such notes shall be outstanding at any time than the cost of the silver bullion then held in the Treasury, purchased by such notes; and such Treasury notes shall be a legal tender in payment of all debts, public and private, except where otherwise expressly stipulated in the contract, and shall be receivable for customs, taxes, and all public dues, and when so received may be reissued; and such notes when held by any national banking association may be counted as a part of its lawful reserve; Provided, That upon demand of the holder of any of the Treasury notes herein provided for, the Secretary of the Treasury may, at his discretion and under such regulations as he shall prescribe, exchange for such notes an amount of silver bullion which shall be equal in value at the market price thereof on the day of exchange to the amount of such notes presented.

SEC. 3. That the Secretary of the Treasury shall coin such portion of the silver bullion purchased under the provisions of this act as may be necessary to provide for the redemption of the Treasury

[1] *Record*, vol. xxi. part vi. p. 5651.

notes herein provided for, and any gain or seigniorage arising from such coinage shall be accounted for and paid into the Treasury.

SEC. 6. That whenever the market price of silver as determined in pursuance of Section 1 of this act is $1 for 371.25 grains of pure silver, it shall be lawful for the owner of any silver bullion to deposit the same at any coinage mint of the United States, to be formed into standard silver dollars for his benefit as provided in the act of January 18, 1837.

SEC. 7. That upon the passage of this act the balances standing with the Treasurer of the United States to the respective credits of the national banks for deposits made to redeem the circulating notes of such banks, and all deposits thereafter received for like purpose, shall be covered into the Treasury as a miscellaneous receipt, and the Treasurer of the United States shall redeem from the general cash in the Treasury the circulating notes of said bank which may come into its possession subject to redemption; and upon certificate of the Comptroller of the Currency that such notes have been received by him and that they have been destroyed, and that no new notes will be issued in their place, reimbursement of their amount shall be made to the Treasurer under such regulations as the Secretary of the Treasury may prescribe from an appropriation hereby created, to be known as "national bank notes redemption account;" but the provisions of this act shall not apply to the deposits received under Section 3 of the act June 20, 1874, requiring every national bank to keep in lawful money with the Treasurer of the United States a sum equal to 5 per cent. of its circulation, to be held and used for the redemption of its circulating notes, and the balance remaining of the deposits so covered shall, at the close of each month, be reported on the monthly public debt statement as debt of the United States bearing no interest.

The only essential differences between this and the Jones bill were, that it made the Treasury notes legal tender, authorized their redemption in bullion instead of in lawful money of the United States, and provided for free coinage when silver should come to par.

The debate was begun by the Senate. Although a number of radical speeches had been delivered by silver advocates, and the subject had come up frequently in connection with debate on other subjects, it was not formally opened until May 12. On

that and the following day Senator Jones, of Nevada, delivered a voluminous speech, directing his remarks, not to the bill in hand, but directly to the subject of Free Coinage. This gave the tone to the Senate debate. It was distinctly a debate on free coinage, and as unfinished business, frequently set aside, it dragged on from this time until summer. In the meantime the House, after a stormy debate of three days (June 5, 6 and 7), adopted the substitute of Mr. Conger, defeated a free coinage substitute offered by Mr. Bland, by a vote of 116 to 140,[1] and passed its bill by a vote of 135 to 119,[2] with an amendment to section 6, which read, "And purchases of silver bullion shall be suspended while it is being so deposited for coinage." This bill went to the Senate, and June 13 the Senate bill (*i. e.*, the Jones bill) was laid aside and the House bill taken up. Like the Jones bill, it was vigorously opposed by the advocates of free coinage. Their protests were directed against every portion of the bill, but the chief objections were that, (1) As a whole it was a device of the monometallists to demonetize silver and prevent an increase in the currency (the repeal of compulsory coinage being a virtual demonetization of silver, the bullion redemption clause making it possible, by successive purchases and redemptions, for the Secretary of the Treasury to make one month's purchase of bullion answer the requirement of the act indefinitely)[3] and (2) the bill made it possible for speculators to expand or contract the currency at pleasure.[4]

June 17 the Senate amended the House bill by striking out all after the enacting clause and inserting a bill for free coinage,

[1] *Record*, vol. xxi. part vi. p. 5813.

[2] *Record*, vol. xxi. part vi. p. 5814.

[3] *Record*, vol. xxi. part vi. p. 5717.

[4] "Is that what the American people want? Is that what they are demanding, that the Treasury of the United States shall become a gambling shop, inviting every gambler in every money centre of the civilized world to speculate in the currency of the American people, a currency which shall have no fixed or determined value, but shall be exposed to expansion and contractlon according to the gambling propensities of the speculators in London, New York and other cities?" Senator EUSTIS, *Record*, vol. xxi. part vi. p. 5922.

and passed it in this form by a vote of 42 to 25.[1] The bill as amended was returned to the House. After five days debate, three days on the proper rules governing the bill in the House, and two on the Senate amendments, concurrence in those amendments was refused, and a conference asked for.[2] Conferees were appointed,—Messrs. Sherman, Jones of Nevada, and Harris for the Senate; Conger, Walker of Massachusetts, and Bland for the House. The report of the Conference committee to the two Houses read as follows:[3]

That the Senate recede from its amendments to said bill and agree to the following in the nature of a substitute. Strike out all after the enacting clause, and insert:

That the Secretary of the Treasury is hereby directed to purchase, from time to time, silver bullion to the aggregate amount of 4,500,000 ounces, or so much thereof as may be offered in each month, at the market price thereof, not exceeding $1 for 371.25 grains of pure silver, and to issue in payment for such purchase of silver bullion treasury notes of the United States to be prepared by the Secretary of the Treasury, in such form and of such denominations, not less than $1, nor more than $1,000, as he may prescribe, and a sum sufficient to carry into effect the provisions of this act is hereby appropriated out of any money in the Treasury not otherwise appropriated.

SEC. 2. That the treasury notes issued in accordance with the provisions of this act shall be redeemable on demand, in coin, at the Treasury of the United States or at the office of any assistant treasurer of the United States, and when so redeemed may be re-issued; but no greater or less amount of such notes shall be outstanding at any time than the cost of the silver bullion, and the standard silver dollars coined therefrom, then held in the Treasury purchased by such notes, and such Treasury notes shall be a legal tender in payment of all debts, public and private, except where otherwise expressly stipulated in the contract, and shall be receivable for customs, taxes and all public dues, and when so received may be re-issued, and such notes when held by any national banking association may be counted as a part of its law-

[1] *Record*, vol. xxi. part vii. p. 6183.

[2] The test vote on concurrence, taken June 25, stood 135 to 152, showing a majority of 17 against free coinage in the House. *Record*, vol. xxi. part vii. p. 6503.

[3] *Record*, vol. xxi. part vii. p. 6982.

ful reserve. That upon demand of the holder of any of the Treasury notes herein provided for, the Secretary of the Treasury shall, under such regulations as he may prescribe, redeem such notes in gold or silver coin, at his discretion, it being the established policy of the United States to maintain the two metals on a parity with each other upon the present legal ratio, or such ratio as may be provided by law.

SEC. 3. That the Secretary of the Treasury shall each month coin 2,000,000 ounces of the silver bullion purchased under the provisions of this act into standard silver dollars until the first day of July, 1891, and after that time he shall coin of the silver bullion purchased under the provisions of this act as much as may be necessary to provide for the redemption of the Treasury notes herein provided for, and any gain or seigniorage arising from such coinage shall be accounted for and paid into the Treasury.

SEC. 4. That the silver bullion purchased under the provisions of this act shall be subject to the requirements of existing law and the regulations of the mint service governing the methods of determining the amount of pure silver contained, and the amount of charges or deductions, if any, to be made.

SEC. 5. That so much of the act of February 28, 1878, entitled "An act to authorize the coinage of the standard silver dollar and to restore its legal tender character," as requires the monthly purchase and coinage of the same into silver dollars of no less than $2,000,000 or more than $4,000,000 worth of silver bullion, is hereby repealed.

[SEC. 6. This is the same as Sec. 7 of the House bill].

SEC. 7. That this act shall take effect thirty days from and after its passage. And the Senate agree to the same.

JOHN SHERMAN,
JNO. P. JONES,
Managers on the part of the Senate.
E. H. CONGER,
J. H. WALKER,
Managers on the part of the House.

It will be seen that this report contained important concessions to the plan of concurrent circulation of the two metals. The change from dollars to ounces increased the silver purchases, the disappearance of the bullion redemption clause removed the chief objection urged against the House bill, while the declaration

that it is the "established policy of the United States to maintain the two metals on a parity with each other" was a direct committal of the Government to the bimetallic policy. Nevertheless, this bill was as strenuously opposed as the others. It was urged that too much discretion was given to the Secretary of the Treasury, that the words in Section 1, "or so much thereof as may be offered," left an opening through which he might evade the compulsory purchase clause, by arbitrarily fixing the price of bullion, or, through collusion with the bullion owners for political purposes, might divorce the bullion-owners and silver-miners from the cause of the people.[1] Further, that the discretion given to the Secretary of the Treasury to redeem these notes in gold coin might be used by the enemies of silver to drain the Treasury of gold, whereupon the Secretary would sell bonds for gold and the cry go up that the act had brought the Government to a silver basis.[2] In the main the objections to the conference report were the same as those to the House bill. The debate was spirited, especially in the Senate, where it was contended that the report yielded absolutely the position of the Upper House, but the result was at no time in doubt. After three days discussion, the Senate, July 10, concurred in the report by a vote of 39 to 26.[3] The House discussed the report in a partisan manner for one day and passed the bill by a vote of 122 to 90.[4] Four days later the bill was signed by President Harrison and became a law.

[1] Senator MORGAN *Record*, vol. xxi. part viii. p. 7088, said, "There is a divorcement, by a shrewd and cunning hand, now about to be accomplished, between the men who produce silver from the mines and the men who desire to have silver currency for the benefit of the common people of the United States. The inducement is held out in this bill that a Secretary of the Treasury who may be favorable politically or otherwise to the silver men of the West can gain to his side of this question all the political strength that he needs, by simply buying up the metal, in such sums and from such people, and from such states, and at such times, as may suit his convenience, or the convenience of a political party, that may want to renew that process which in the United States is called 'frying of fat' out of people."

[2] Senator COCKRELL, *Record* vol. xxi. part vii. p. 7028.

[3] *Record*, vol. xxi. part viii. p. 7109.

[4] *Record*, vol. xxi. part viii. p. 7226.

II.

It will now be desirable to consider the debate intensively. It will be the purpose to sift out the arguments from the great mass of stereotyped Congressional oratory, to discover the economic postulates, if any, on which these arguments rest, to combine the arguments into logical trains of reasoning, weighing meanwhile the validity of postulate and argument, and to view somewhat critically the debate as thus reconstructed.[1] The silver debate of 1890, though nominally based on bills providing for the limited coinage of silver, was essentially a debate on free coinage. The silver advocates, while opposing the bills at hand, really assumed the offensive on the free coinage issue. The opponents of free silver avoided that issue, and thus became in reality the defensive party. For this reason, an analysis and classification of the free coinage arguments, with the objections thereto, will give the most thorough view of the debate.

The typical advocate of free coinage logically began his discussion with a *resumé* of the present economic conditions. He found a marked depression in agricultural interests, a vast accumulation of debts and mortgages,[2] a depression of mining interests, an era of falling prices and a wide spread feeling of discontent among the masses; he assumed an era of business depression accompanied by falling profits, falling wages, and enforced idleness.[3] A student of economics might deny the last assumption, and regard the

[1] In so short a paper it will be obviously impossible to enter into historical detail or to make any elaborate theoretical examination. The endeavor will be to suggest errors and lines of reasoning.

[2] "Whereas the deep and wide spread depression and decay of the agricultural interests of the American people, the enormous and appalling amount of mortgage indebtedness on agricultural lands, the total failure of home markets to furnish remunerative prices for farm products, etc., etc."—From a resolution offered in the Senate by Mr. VOORHEES, Mch. 17, 1890; *Record*, vol. xxi. part iii. p. 2377.

[3] "We hear of cheap labor and cheap prices in every part of the world. If labor was properly being paid, if sacrifices were properly rewarded, if industry was properly compensated, there would be no complaint. Does not everybody hear the great roar of discontent that is going up in this country to-day? I want Senators not to underrate the great complaint." — Senator TELLER *Record*, vol. xxi. part v. 1st session, LI. Congress, p. 4702.

popular ferment as a sign of awakening ideas, while explaining the cases of real depression as results of various particular and often temporary causes.[1] Not so with the advocate of free silver. He assumed the evils to be permanent under the present conditions and to be due to certain general causes. These were:

(1) A lack of confidence and business enterprise.

(2) A low range of prices.

(3) Increasing indebtedness.

(4) The depression of our great silver mining industry.

Now it will be remembered that in 1873 laws were passed demonetizing silver in Germany, and striking the silver dollar from the list of United States coins. Also in that year currency inflation and wild speculation bore legitimate fruit in a great crisis, bringing with it a lack of confidence and business enterprise, a lower range of prices and consequently increasing indebtedness. It is natural to think of concurrent events as cause and effect. It was easy, therefore, for the silver advocate, deeply impressed with the power of money,[2] to infer that the discriminations against silver produced these causes of industrial evil. Naturally then, there followed four logical trains of reasoning, more or less dependent, yet quite distinct, to prove in general that the demonetization of silver did actually produce these effects, and that its remonetization would remedy these evils.[3]

The first of these may be called reasoning for National Bi-

[1] "At intervals of ten years, more or less, the population has gone West too fast, and then has waited to recover and take breath for a new effort. . . . . Such a rapid advance seems to have taken place in the years 1887 and 1888, indicated by the enormous railway building, and the rapid increase in the population of the far West. The usual reaction has followed with its lower prices of agricultural products and of farming land. Some part of the agricultural depression of 1889 and 1890 represents no more than this periodical downward turn."—TAUSSIG'S *Silver Situation in the United States*, p. 104.

[2] "Money sways human fortunes with autocratic powers more sweeping and wider spread than ever conferred upon or usurped by a king amongst mortals."—Senator DANIEL *Record*, vol. xxi. part vi. 1st Session, LI. Congress, p. 5126.

[3] It must not be supposed that any one person did actually follow out these lines of reasoning. The silver advocates were eclectic. And besides it must be remembered that logic is not usually considered a prime merit in speech making.

metallism; the second, reasoning for Currency Inflation; the third, reasoning in the interests of the Debtor class; the fourth, reasoning in the interest of a special Industry. These lines of reasoning will now be examined in order:

A. The Reasoning in Favor of Bimetallism.

The reasoning in favor of National Bimetallism assumed that the currency laws of 1873 induced the present industrial evils by cutting the nation off from certain benefits and safeguards of the double monetary standard, and that the establishment, by law, of free silver coinage within the United States alone, would restore and maintain the double standard for the nation, with all its assumed benefits. The first step in this reasoning was the proof of the virtues of bimetallism. The arguments advanced were: (1) arguments of sentiment; and (2) arguments of theory. The arguments of sentiment were those most frequently advanced in this debate by all classes of silver advocates. They may be called the universal free coinage arguments. They are easily understood and appreciated, and may be used effectively by Congressmen to catch the popular ear, though having no economic bearing. In the line of sentimental argument, it was urged that the two metals were made money by the "fiat" of the Almighty. Said Senator Teller:

> Mr. President, the question presented, not for the American people alone, but for the entire world, is whether we shall do business in the future as we have done business in the past, or until within the last seventeen years, by the use of the two precious metals, not made money by law, not made money metals by the edict of legislative minds, not by the consent of the merchants, but by the fiat of the Almighty, when he created these two metals.[1]

The age and honor of the bimetallic system was frequently brought forward. A striking example is from the speech of Congressman Lane:[2]

> Gold and silver should be equally valuable as money. They were so used for over three thousand years and down to 1873. They

[1] *Record*, vol. xxi. part v. p. 4646.

[2] *Record*, *ibid.* appendix, p. 351.

served together as the money of ancient[1] and modern civilization. They were good enough for Abraham in his day, and Christ himself used coins, not silver certificates, to pay taxes when he was on earth. Gold and silver adorned the temple of Solomon, and for centuries they have sustained commerce and navigation.

The most effective of these arguments, however, appealed to patriotism. Gold and silver were the money of our fathers, for the bimetallic system was adopted by our first financier,[2] and sanctioned by the framers of the constitution, as the American currency system. These appeals to sentiment deserve only a passing notice.

Of more weight, but less frequently urged, were the theoretic arguments in favor of bimetallism. It was asserted that this system exerted a powerful influence in keeping steady the value of the monetary unit;[3] first, through the power given to both metals of entering or retiring from the circulation freely; secondly, by making it less possible to manipulate the currency; and thirdly, by giving free play to an automatic adjustment of metallic production to the needs of increasing business; a further argument, on which much stress was laid, assumed that a bimetallic currency is a safeguard against panics, providing adequate means of metallic liquidation in a time of failing confidence, one metal at the present rate of production and growth of business being inadequate as a credit basis.[4] These arguments with perhaps a single excep-

[1] The author of *Robinson Crusoe's Money* has named many other articles yet more ancient in monetary usage.

[2] Historical research shows that Hamilton preferred the single monetary unit of gold, but adopted the double standard on account of the peculiar monetary circumstances then existing in the United States. Those conditions are not present now.—*History of Bimetallism in the United States*, J. LAURENCE LAUGHLIN, pp. 13–15.

[3] Neither gold nor silver would by itself be a correct measure of value, but as two metals are combined in the perfect pendulum of a clock, so together they form the most perfect measure of value ever devised.—Mr. POST, *Record*, vol. xxi. part v. p. 4575.

[4] As time advances and the method of doing business on credit becomes more and more extended, the more palpable it becomes. That society can preserve itself from these periodical convulsions, only by broadening, under proper regulations, the legal tender basis on which, in the ultimate analysis, all business rests.—JONES, of Nevada, *Record*, vol. xxi. appendix, p. 259.

tion in either House, were not combatted by the opponents of free coinage.[1] On all sides the desirability and possibility of true bimetallism was admitted. It may not be amiss, however, to call attention to certain errors at the foundation of these assumptions. Each rests on one of two fundamental economic postulates, concurrent circulation or compensatory action. Now concurrent circulation has never been known in history; in fact, the compensatory action which is the very essence of the bimetallic theory, is directly opposed to its existence, so that historically nominal bimetallism means an alternating standard, and does not therefore give a broader basis for credit transactions, nor an ampler medium to frustrate attempts at currency manipulation.[2] The compensatory action further produces, as the advocates of bimetallism admit, more frequent fluctuations of the currency; and, as it substitutes the cheaper metal, that is the one less liable to be stable, and in its operation produces a constant lowering of the standard of deferred payments, bimetallism can hardly be said to be a safeguard against panics. The strength of credit depends more on the stability of the monetary unit than upon its quantity. Our present experience teaches the evils arising from fear of a cheaper and less stable unit. It is not the lack of metal money, but the lack of confidence that produces business crises and depressions.

Having established to their satisfaction the desirability and possiblity of bimetallism it only remained to complete this line

[1] "I believe a majority of the Senate desire first to supply an increase of money to meet the increasing wants of our rapidly growing country and population ; . . . . and third, to secure a general bimetallic standard, one that will not demoralize gold or cause it to be hoarded or exported, but that will establish both gold and silver as standards of value, not only in the United States, but among all the civilized nations of the world. Believing that these are the chief objects aimed at by us all and that we differ only as to the best means to obtain them."—Senator SHERMAN. *Record*, vol. xxi. part vi. p. 5612.

[2] "Where the currency is small, it is always easy for a few large corporations and rich money lenders to combine and lock it up, and thus throw down the price of stock, wheat, cotton and other commodities, work a corner on the currency, and force those who have bills falling due, to sacrifice their property to sustain their credit. Then the market is made tight and extortion easy."—Mr. MOORE, of Texas, *Record*, vol. xxi. part vi. p. 5733.

of reasoning, for the advocate of free coinage to prove that the United States could establish and maintain that system at the present legal ratio. At the outset of this line of argument, it was assumed that as the fall in the value of silver had been concurrent with the legal discriminations against it, these discriminations and not natural causes had alone produced its fall.[1] There fore as legislation was the sole cause of the fall of silv r, legislation could restore its value to that of the legal ratio. This the United States alone, by proper laws, might do. Herein were concealed two fundamental economic errors: first, that silver and gold are equally desired as monetary media; and second, that legislation has unlimited power over the natural laws governing monetary conditions. Now, whether or not silver is as good as gold for monetary purposes, the fact has been amply proven in the history of the past eighty years, that, as business and commerce increase, a decided preference is manifested for the use of gold. This may be mere prejudice, but it is enough to know that it is a fact. This natural preference existing, the enormous production of gold in the middle of the present century gave an opportunity for its gratification, and commercial nations dropped silver for gold, as they did sails for steam, with like results on the value of the rejected article. Both were reduced to subsidiary fields. It was in obedience to this natural law that the legislation against silver was enacted. The vain efforts of the United States for fifteen years to restore silver, efforts which have failed even to check its fall, are proofs of the impotency of legislation over natural law.

The arguments of the silver advocates in this connection did not rest alone on theory. History was appealed to. The experience of France was frequently cited. Senator Jones, of Nevada,[2] early in the debate said:

[1] "It is only since the legislative proscription of silver by Germany and the United States, and the closing of all the European mints to its coinage, that any material change has taken place in the ratio between the two metals, which conclusively demonstrates that the present divergence in the relative value of the two metals is directly due to the legal outlawry of silver and not to natural causes."—JONES, of Nevada, *Record*, vol. xxi. appendix, p. 241.

[2] *Record*, vol. xxi. appendix, p. 271.

We are told that the United States, unaided, cannot if it would, restore silver to a parity with gold, that no one nation acting alone can achieve so difficult a feat. But it is incapable of denial that throughout all vicissitudes of production of gold and silver from 1803 to 1873 the law of France — one nation alone — accomplished it. . . . . If that could be done by a nation with a population of 25,000,000 to 35,000,000, what difficulty could be experienced by a nation of 65,000,000 in accomplishing the same result.

This was a flagrant use of the argument, *post hoc propter hoc*. History also shows that France never, for any time, maintained an actual bimetallic circulation, and that she was forced to suspend the law of 1803 as soon as the preference for gold, made possible of manifestation by reason of its increased production, began to change materially the relative values of the metals. It was further argued by some that, as it was not the legislation of Europe, but of the United States, which had caused the fall in the value of silver, therefore what our legislation had done it could undo[1]. All that we had to do was to[2] "take up the little slack of silver which was produced and not coined."[3] An answer to this was given by Senator Sherman:[4]

The very presence of $290,000,000 of silver coin known to be in

[1] "If America was so strong that she could destroy what the combined effort of others had failed to destroy, is it not a fair inference of logic that America can build up that which she has stricken down." Senator DANIEL. *Record*, vol. xxi. part vi. p. 6036.

[2] Senator JONES, of Nevada, *Record*, vol. xxi. appendix, p. 266.

[3] It is impossible for the United States to purchase all the product of our mines, for every step taken to enhance the value or secure a market for silver bullion produces an increase in the supply. In the ten years between 1834 and 1844 the silver product of the United States amounted to an annual average of $25,000. The production in this country from 1878 since we have been endeavoring to "take up the slack" has been: 1879, $40,800,000; 1880, $39,200,000; 1881, $43,000,000; 1882, $46,800,000; 1883, $46,200,000; 1884, $48,800,000; 1885, $51,600,000; 1886, $51,000,000; 1887, $53,350,000; 1888, $59,195,000; 1889, $64,646,000; 1890, $70,464,000; 1891, $75,417,000; 1892, $73,697,000. *Report of the Director of the Mint on the Production of the Precious Metals in the United States*, 1892, p. 222. This shows an increase in annual production of $33,000,000 in 15 years notwithstanding the fall in the value of silver. The production of silver is steadily increasing outside of the United States.

[4] *Record*, vol. xxi. part vi. 1st session, LI. Congress, p. 5618.

our treasury vaults that can be dumped upon the markets of the world is the great bearish fact, the menace that tends to depreciate the price of silver. If this great sum had been scattered among the hordes of Asia, where it is largely used as ornaments, and where it is the only standard of value, it would be mingled in the vast unknown mass of three thousand millions of silver estimated as existing in the world.

Another argument in this connection assumed, in direct opposition to the known fact as demonstrated by our failure to secure international coöperation, that the commercial world is eager for the reinstatement of silver and that only the courageous effort of one nation is necessary to enlist world-wide assistance. Senator Vance expressed this idea in the following words:[1]

I believe that the world is waiting for somebody to begin, and that the moment this great people throw open the doors of their mints . . . . the success of free coinage will be so well assured that the smaller nations of Europe who ardently desire the free coinage of silver money will at once come to the rescue, and that it is only a matter of courage that is required on our part to cease to regard the interested howls of the gold speculators, throw open the doors and make a beginning.

Whether or not the United States could raise the value of silver seemed an immaterial consideration to many silver advocates. Leaving this question aside, it was vehemently urged that we would find no difficulty in maintaining the two metals in circulation under a free coinage law. On this point was developed a remarkable contest concerning the existence and action of Gresham's Law. A class of silver advocates denied the possible existence of such a law, and as this is a pivotal point in the discussion, liberal quotation may be pardoned. Representative Lane took, perhaps, the most extreme attitude. He said:[2]

This union of the two metals, this blending of them into one standard for practical use, is improperly called the "double standard," for in reality it is a single standard of two metals, exactly a combination of the two as one.

[1] *Record*, vol. xxi. appendix, p. 383.

[2] *Record*, vol. xxi. appendix, p. 349.

This was equalled only by the following:[1]

I believe too that the free coinage of silver will bring gold to us, not drive it away. Money attracts money. Riches produce riches. Wealth has no liking for anything so much as itself. Everything assimilates with its kind. Money is the most social, self assimilative and procreative of all material things.

Another and more common position was taken by Senator Daniel:[2]

How is the gold dollar likely to go to a premium over the silver dollar? What condition could exist to drive it to a premium? What use will there be for a gold dollar, making it desirable that a man shall part with more than one silver dollar in order to get a gold dollar? He can pay as much tax with a silver dollar as with a gold dollar. He can discharge as much debt with his silver dollar as with his gold dollar. He can buy as much of any commodity with his silver dollar as with a gold dollar, and why then should he give more for a silver dollar than for a gold dollar.

Unique, but equally untenable was the proposition of Senator Plumb:[3]

But, Mr. President, can it not be seen by even a man who is blind that, if you make the $680,000,000 of gold in the country merchandise instead of currency, what is left of the currency will be enormously enhanced in value, so that it would at once close the gap by means of which gold was driven out, and gold would resume its old place.

A favorite mode of denial was to point to our own experience since 1878. Said Senator Harris:[4] "The experiment of eleven years of a coinage has effectually exploded the argument based upon the idea that the remonetization and coinage of silver would drive gold out of the country." The question was frequently asked, if 343 millions of silver dollars will not drive out gold how much will? These denials and queries at once lose all force when we consider that the operation of Gresham's Law pre-supposes free coinage, while under our statutes the govern-

[1] Senator DANIEL *Record*, vol. xxi. part vi. p. 5125.

[2] *Record*, vol. xxi. part vi. p. 5126.

[3] *Record*, vol. xxi. appendix, p. 329.

[4] *Record*, vol. xxi. part vi. p. 5487.

ment reserves the right of coinage to itself, and retains in its vaults, as profit to itself, all seigniorage.

The position held by the majority of national bimetallists was, however, less extreme. They admitted the existence of Gresham's Law, but affirmed that its action was confined to limited conditions. Gold, they asserted, could only be driven out by silver, dollar for dollar in legitimate trade, and then only when the balance of trade is against us, or we have a surplus of money, or our securities and investments become no longer desirable. These assumptions, one and all, because they ignore the existence of the money broker, and the fact that a metal money may disappear as well in the melting pot as through the channels of commodity exchange, must be seen to be untenable, and, further, because they ignore the fact that money may disappear within a single country[1] by the process of hoarding.[2]

Proceeding, however, in contempt of these facts, the silver advocates attempted to fortify their position by proof that, under free coinage at the ratio of 16 to 1, we could receive no excessive amount of silver. This argument rested upon two general assumptions, that the annual production of the mines is barely sufficient to supply current needs, and that there is nowhere any hoard of idle silver. With regard to the first assumption it is perhaps sufficient to say that the annual production of the precious metals is a thing that cannot be counted upon. The great influx of gold and silver that has deluged the commercial world from time to time has come wholly unforseen. However, the statistics of production of silver show a constant and rapid increase during recent years. The second assumption was upheld

[1] No one understands the operations of these facts better than a great banker. As Mr. Baring says: "A very slight difference of one-tenth or one-fourth per cent would determine the use of one metal or another."—LAUGHLIN'S *Bimetallism*, p. 25.

[2] "As if there ever was a nation that did not need to be taught in this world's affairs on the divine parable against hoarding a talent in a napkin. There never can be such a nation. Hoarding, as if that were a vice of America, and as if all experience did not end in ascertaining when search was made for the hoard that somebody had been there before."— Senator EVARTS *Record*, vol. xxi. part vi. 1st session, LI. Congress, p. 5975.

by three suppositions: (1) That no silver will ever return from the East; (2) that Europe has no desire to part with her silver;[1] and (3) that with the mint ratio here at 16 to 1 while that of France is 15½ to 1, European governments can send no silver here except at a considerable loss. The recent action of the Indian government and the repeated endeavors of European governments in general to change their currencies to the gold basis, with the following sharp retort of Congressman Walker, would seem to take from those arguments whatever weight they might possess. Said Mr. Walker:[2] "That is to say, for forty years European merchants took our silver to Europe to be coined at a profit of 2.4 per cent., from 1834–1873. While our mints during all that time were open to the free coinage of silver, and that now, in the year of our Lord 1890, with every mint in Europe closed to the free coinage of silver, European merchants will not transport silver from Europe to this country where they can have it freely coined at a profit of 28 per cent." Unconvinced by Mr. Walker, the National Bimetallist turned to our great American policy for his crowning argument, asserting that Congress could easily put a duty on foreign silver that would prevent its importation should it come in excess.[3]

Thus it appears that the economic reasoning of the National Bimetallists rested mainly upon a denial of natural laws and existing conditions, and upon the following fundamental assumption, namely, that concurrent circulation is possible, based upon one of two subordinate assumptions,—that gold and silver equally satisfy the monetary desires of the commercial world, or that the legislation of one nation can absolutely control the natural monetary laws throughout the world. A chain of reasoning thus constructed of erroneous propositions cannot hold.

[1] In this connection it may be well to note former experiences. "From 1852 to 1875 at least $1,000,000,000 of silver had been shipped from England and the Mediterranean to India and the East." LAUGHLIN'S *Bimetallism*, p. 125. The stream can no longer flow to India.

[2] *Record*, vol. xxi. part vi. 1st session, LI. Congress, p. 5702.

[3] Mr. MOORE, of Texas, *Record*, vol. xxi. part vi. p. 5733.

The inevitable conclusion is, that free coinage of silver must ultimately bring us to a single silver basis. In that case gold would still be the world's standard, and our currency would fluctuate as the market value of silver fluctuated to that of gold. The evils of such a condition will be forseen by those who understand the part played by credit in our industrial organism, the slowness of the growth of business confidence, the ease with which it is destroyed, and the disastrous consequences resulting from such destruction.

B. The Reasoning for Inflation.

We come now to a different class of arguments upheld by men actuated by less worthy motives. For the origin of this class of reasoning in this country, we must look to the financial history of the civil war. The inflation of the currency which occurred then under the stress of financial exigencies has left a deep impression upon the American mind. To the majority of petty producers, the owners of farms and debtors, the period of currency inflation appeared, and still appears as an era of unparalleled prosperity. In it they saw only the rise in the prices of their products without seeing the rise of prices of things bought, and the increased power of money to discharge burdensome indebtedness. They divorced from it the terrible after effects of inflation, attributing these entirely to concurrent circumstances, the most notable of which was the law of 1873, discriminating against silver. Thus industrial disturbance or depression brings, inevitably, great pressure to bear upon Congress for legislation looking to an increase of the currency. This to a large extent explains the situation of 1890.

The advocacy of silver by the inflationist can best be understood by examining his earlier ideas. These were based upon three fundamental postulates. The first was that money metal or legal tender money controls prices, that is, more money produces high prices, less money low prices.[1] This is the old

[1] "It is a fundamental elementary maxim of the science of finance that abundance of money makes high price for products, and per contra, that a scarcity of money makes low price of products. In other words, the value of the products of the world

quantity-theory advanced by economists when business was done practically on a cash basis. It was theoretically true under those conditions and approximated the actual facts. But no assumption is more productive of error than that this rule holds under modern conditions. Perhaps there is no more difficult subject which engages the attention of economists to-day than this question of prices. There is no general agreement concerning it, but this much may be said, three elements at least enter into the determination of prices, namely, (1) the amount of money and its rapidity of circulation, (2) the value and stability of the monetary unit, and (3) the amount and activity of those credit devices which figure in industrial transactions. Of these three elements credit, depending on the stability of the monetary unit, seems to play the most important part. Our recent experience with silver seems to show that the amount of metallic circulation is largely determined by prices rather than determines them.[1] The second postulate at the foundation of the inflationist's train of reasoning was that high prices produce prosperity. On this postulate, coupled with the first, viz., that metal money controls prices, he based his desire for more money and his advocacy of silver.[2] The arguments advanced in proof of this postulate were both historical and theoretical. The debates in Congress were freely sprinkled with assertions that the prosperous eras of history have been those of high prices. But to argue from this that the high prices were the cause of the prosperity, as was done, is another case of *post hoc propter hoc* reason-

is measured by the amount of the circulating medium of the *precious metals*, that there is in the world to exchange for them."— Senator VANCE, *Record*, *ibid.* appendix p. 381.

[1] "The expansion of the silver currency has followed and not preceded the rise in prices, the speculative activity and the other phenomena which are associated with an increase in the supply of money . . . The increase of our silver currency seems to have been effect rather than cause."— *The Silver Situation in the United States*, W. F. TAUSSIG, pp. 61 and 62.

[2] "During all periods in which there has been a generous increase in the money volume of a country or of the world, activity and prosperity have been its accompaniment. I challenge the citation of any instance to the contrary."—Senator JONES, of Nevada, *Record*, 1st session, LI. Congress, appendix, p. 267.

ing. It is true that high prices often obtain in prosperous periods when business is active and speculation rising, but in our modern business world these are the very conditions that tend to produce high prices, and that they are the cause and price the effect, is seen by the fall of price at the first check to confidence and activity.

Theoretically, the inflationist endeavored to prove this postulate by two arguments. First, it was asserted that high prices meant increased values. This was most clearly advocated by Senator Reagan. Although his conclusion was based on falling prices, if it be true, its opposite holds equally well with rising prices. Mr. Reagan said:[1]

The royal commission of Great Britain in 1886, . . . estimate that the reduction of the prices of commodities generally was about 33 per cent. by demonetizing silver. The New York almanac for this year estimates . . . that the value of the property in the United States is this year $61,459,000,000. If the revolution in prices caused by the discrimination against silver has reduced the value of this property by 33 per cent. it means a loss to owners of this property of $18,437,000,000.[2]

This assertion rests upon a fundamental and silly error, yet one which was quite commonly found at the basis of arguments, namely, that price is equivalent to value. Had the Senator pursued the reasoning to its legitimate conclusion he should have advocated the substitution of the penny piece for the dollar, in order that the money, being one hundred fold more abundant, and prices correspondingly advanced, the wealth of the country might be a hundred fold increased. Secondly, it was asserted with more show of reason that high prices encourage industry by aiding producers and laborers. It is probably true, as Hume long ago argued, that things have a more hopeful look, and activity is stimulated in an era of rising prices, but that activity which

[1] *Record*, part iii. p. 2830.

[2] A more direct statement is from the Report of the Committee on Coinage, Weights and Measures, to the House, in H.R. 5381: "An increased volume of money always raises prices and so must add materially to the *value* of all farms and farm products." —*Record*, part vi. p. 5381.

results solely from the stimulation of rising prices almost invariably leads to over-speculation culminating in a commercial crisis followed by the evils of industrial depression. It is difficult to see wherein permanent benefit accrues to producers or laborers by a high range of prices. Those who produce for the home market receive higher prices, but must pay higher prices for their consumption, while those who produce for exportation pay higher prices but find the price of their produce abroad not at all advanced by the inflation at home. On the other hand, it is almost universally admitted that any change of prices to a higher level temporarily, at least, lowers the real wages of labor. In review of the whole argument, Senator Sherman ably remarked:[1]

> But how will this change affect the great mass of our fellow citizens who depend upon their daily labor? A dollar to them means so much food, clothing and rent. If you cheapen the dollar it will buy less of these. You may say they will get more dollars for their labor, but all experience shows that labor and land are the last to feel change in monetary standards, and the same resistance will be made to an advance of wages on the silver standard as on the gold standard, and when the advance is won it will be found that the purchasing power of the new dollar is less than the old. No principle of political economy is better established than that the producing classes are the first to suffer and the last to gain by monetary changes.

The inflationist, however, having established these two postulates to his entire satisfaction, accepted unreservedly the legitimate conclusion therefrom, and boldly announced that it is impossible to have too much money.[2] Said Mr. Perkins:[3] "In my reading, or otherwise, I have never learned of any people who had too much good money to contribute to their happiness, to their support, and to the comfort of their homes. No one ever had too much money for caring for their little ones, for carrying

[1] *Record*, vol. xxi. part vi. p. 5619.

[2] "We cannot, sir, have too much money. No people ever had too much."—Mr. FARWELL, *Record*, vol. xxi. part vi., p. 5527. "Has anyone ever observed any calamity resulting from too much money? Is there any locality or era where there was too great activity among the productive classes?"—Mr. LANE, *Record*, vol. xxi. appendix, p. 347.

[3] Mr. PERKINS, *Record*, vol. xxi. part vi. p. 5804.

on domestic concerns, which affect the happiness of the fireside of every man." It is evident that this argument rests on a stupid confusion of ideas as to wealth and money, an inability to distinguish between money, which is only one form of wealth, and the many other forms of wealth not money. It also fails to appreciate that an increase of money does not increase other forms of wealth, or that an increase of money does not change values.

The third postulate, which completed the foundation of this line of reasoning, was that the inflation or degradation of metallic currency is impossible. A plain statement of this position is found in the speech of Senator Pugh.[1]

The people, in no time of our history, and no country in the world's history, ever suffered in trade and commerce or otherwise from having too much coined money in circulation, or as the basis of circulation. Who ever heard of inflation in gold or silver money, or in paper money founded on it for redemption ? How can there be depreciation in the unit of money value compounded of gold and silver, so long as the unit is the coin of the government, declared by a law of Congress to have the value of a dollar?

It will be seen that this assumption was based upon the belief that the value of the monetary unit is independent of the bullion value, but depends solely on the stamp of the government,[2] the legal tender function given it. Senator Jones, of Nevada, was the most ardent advocate of this theory :[3]

The logic of the situation and the reasoning of all the leading authorities on money lead irresistibly to the conclusion that its value does not reside in the material but *in the stamp ;* in other words, on the legal tender function impressed on that metal. . . . The commodity value of any material on which the money function may be stamped is too trifling to merit attention. . . . There never was a dollar coined that did not legally and practically contain 100 cents.

If this be true, the commercial and industrial world is certainly sustaining an unnecessary economic burden in maintaining

[1] Senator PUGH, *Record*, vol. xxi. part vi. p. 5522.

[2] Senator TELLER thought that if the greenback currency had been made full legal tender it would have sustained itself at par.—*Record*, vol. xxi. part v. p. 4648.

[3] *Record*, vol. xxi. appendix, pp. 254, 57, 62.

metallic currencies. The argument must inevitably lead to the conclusion that irredeemable paper is the ideal monetary medium,[1] yet history does not sustain this conclusion.

Such being their monetary theory the primary desire of this class of silver advocates was simply for more money to raise prices. Why did they resort to silver to satisfy their desires? Simply as a matter of expediency.[2] They had no love for silver as such, but it was the cheapest and most abundant substance for which they could gain support, its use would result in more legal tender currency, and its metallic character would in a measure shield the advocates from being stigmatized as inflationists. Three facts exist which prove that the object aimed at by this class of silver advocates was simply and only more money and not especially more silver money. First, they made no effort toward the remonetization of silver until after the fall in its value in 1876; Secondly, the members of this same class exerted themselves to force the reserves held by the Government into circulation;[3] and, Thirdly, they openly declared that their object could be attained as well by putting fewer grains in the gold dollar.[4]

[1] "One Senator suggested a paper money, irredeemable only as passing from hand to hand, in addition to our present currency."—Senator PLUMB, *Record*, vol. xxi. appendix, p. 328.

[2] "The feeling in favor of paper money instead of gold or silver has had the greatest hold in the West. It has been part of a widely prevalent feeling in favor of such an increase of currency as should meet the needs of all current business, a feeling wide spread and enduring. Lately this feeling has taken the form of a demand for the free coinage of silver."—Senator PLUMB, *Record*, vol. xxi. appendix, p. 329.

[3] The same interests and the same influences which have opposed silver coinage in this country have induced Congress and the Treasury Department . . . to hold idly and uselessly in the United States Treasury, from year to year for ten years, $100,000,000 in gold on the pretense that this was necessary to enable the Government to redeem and retain from circulation the outstanding legal tender (greenback) notes. And this large sum of gold has for years been withheld from circulation and from use in the business and industrial interests of the country."—Senator REAGAN, *Record*, vol. xxi. part iii. p. 2832.

[4] "If the time shall come when that equivalency of values, monetary and commercial, shall be insisted on and necessary, I have no hesitancy in declaring that I shall vote an act to make the equivalency by taking the necessary grains out of the gold dollar, rather than by adding to the weight or value of the silver dollar."—Mr. PAYSON, *Record*, vol. xxi. part vi. p. 5790.

The inflationists admitted freely that the free coinage of silver would result, not in a bimetallic currency, but in the silver standard of values. In logical keeping with their monetary theories they hailed the result with pleasure.[1] Having assumed that the value resides solely in the stamp of the Government, a cheaper metal is as stable and costs less to maintain. By resort to the silver standard the United States would make money by disposing of its gold, and also in the enhanced price of silver. "And further," added Senator Jones,[2] "the export of our gold will raise the price for our exported goods." Such was the reasoning for inflation in the silver debate of 1890. The theoretic errors are apparent, and the evils which result in yielding to such councils are amply shown in the financial history of our own and of European nations.

C. The Reasoning in Favor of the Debtor Class.

The train of reasoning in favor of the Debtor Class is closely allied to that which was urged in favor of currency inflation. Both proceeded from a desire for more money and higher prices, but while the inflationists emphasized the benefits of rising prices, this class called especial attention to the evils of falling prices. The two lines of reasoning might be called complementary. The supposition at the foundation of the reasoning for the Debtor Class was that the depression under which the country labored had been caused by a contraction of the currency[3] (producing lower prices and so decreasing debt paying power) due to the silver legislation of 1873.

[1] "If Europe will pay more for gold than we can afford to, let her have it."—Senator STEWART, *Record*, vol. xxi. part vi. p. 5078. "Suppose the silver of Europe comes here, you can put it into the circulating medium of this country and not inflate it. To-day $250,000,000 are needed in this country, right now, for circulation for benefit of trade and benefit of commerce."—Senator TELLER, *Record*, vol. xxi. part v. p. 4694.

[2] *Record*, vol. xxi. appendix, p. 266.

[3] "There is no instance of commercial and industrial adversity within the last fifty years that has not been preceded and produced by a prodigious contraction of the operations and volume of the money power."—Senator LANE, *Record*, vol. xxi. appendix, pp. 347-8.

Said Mr. Stewart:[1] "Since silver was demonetized and one-half of the supply cut off, falling prices, stagnation and enforced idleness have brought the country to the brink of bankruptcy.' How generally the idea was held is shown by the following from a speech of Senator Teller:[2]

Mr. President, I have believed and believe now. . . . that the people of the United States have suffered for many years because of a lack of circulation. . . . There has not been a sufficiency of circulation, nobody in this controversy has claimed that there was. The Secretary of the Treasury in his report declared there was not, the chambers of commerce and boards of trade have everywhere proclaimed that there was a demand for more money.

No amount of argument[3] or quotation of statistics, showing that since the demonetization of silver, more money had been actually issued from the mints than ever before, could convince this class of silver advocates that the currency was not being constantly contracted. It is true they did not claim actual metallic contraction, but they argued that when money did not increase in proportion to population and business, virtual contraction was the result. This assertion was not founded upon the idea that credit has no effect on prices, but upon the postulate that the limit of credit must always bear a fixed proportion to the amount of the metallic basis. In other words that metallic money absolutely controls credit. Herein lies the fundamental error of this train of reasoning. The commercial history of the last fifty years furnishes ample proof that there is at best only a very loose relation between the amount of money, and the number of credit transactions. In that time improvements in transportation and communication have enabled credit devices to increase an hundred fold the efficiency of a given quantity of coin.[4] The vast

[1] *Record*, vol. xxi. part vii. 1st session LI. Congress, p. 7022.

[2] *Record*, vol. xxi. part vii. p. 5073.

[3] "There is 85 times as much visible gold as is thus used by these banks in any one day, and each dollar used in any one day is at hand to use on the next day. There is one hundred and eleven times as much currency money in circulation as is thus used on any day."—Mr. WALKER, of Mass., *Record*, vol. xxi. part vi. p. 5709.

[4] "Very little coin or paper money is used or is necessary to the immense exchange of merchandise and titles to merchandise as compared with 50 years ago. One dollar

majority of transactions are now carried on without the intervention of money. Our own experience with silver has shown that with our vast and complex organization of credit, there is a limit to the amount of metallic circulation that can be made to remain in the channels of industry. It cannot be too often emphasized that it is business confidence that sustains and limits credit, and that confidence depends not so much on the quantity of the monetary basis as upon its stability. Such arguments, however, had no effect on the ideas of the class of men who upheld this train of reasoning. Their postulate being assumed, the resulting contraction followed inevitably.

The contraction of the currency being assumed, the silver advocate proceeded to emphasize the evils resulting therefrom. The following from a speech of Senator Jones, is a characteristic example:[1]

It is my firm conviction that the inexpressible miseries inflicted upon mankind by war, pestilence and famine have been less cruel, unpitying and unrelenting, than the persistent and remorseless exaction which this inexorable enemy has made upon society. As the volume of money contracts, prices decline, and with the decline of prices comes stagnation of industry. . . Stores, workshops and factories, unoccupied and unused, are found on every hand. Crime increases, bankruptcies multiply, and even though the aggregate of wealth augments, it is unjustly distributed, and is consequently barren of results.

A careful examination of the statements on this subject seems to show that the silver advocate attributed the evils of contraction to two causes. First, the raising of the standard of deferred payment (by the fall of prices) and consequent increase of bnrdensome indebtedness; and, secondly, the decrease of loanable capital.

While it is true that the fall of prices since 1873 has raised the standard of deferred payment as regards commodities, the

in coin will measure and touch one hundred fold more products in exchange to-day than one hundred years ago, and $1 in coin made one hundred fold more effective is economically equal to increasing our stock of coin one hundred fold."— Mr. WALKER, of Mass., *Record*, vol. xxi. part vi. p. 5708.

[1] *Record*, vol. xxi. appendix, p. 239.

assumption that the fall is due to a contraction of the currency is entirely gratuitous. Reliable statistics show in this period a great reduction in the cost of production of almost all commodities, and in the cost of transportation, accompanied by an enormous increase in the production of staple articles. These facts are amply sufficient to account for our fall in prices which have not yet reached the level of 1850, and as the reduction in the cost of production has been accompanied by an actual rise of money wages it seems hardly probable that there has been any contraction of the medium of exchange.[1] The second cause of evil produced by contraction as set forth on this line of reasoning was a decrease of loanable capital producing stagnation of business and enforced idleness with inability of the masses to obtain consumable goods.[2] This is asserting that the circulating medium of a country is equivalent to its capital, or that a variation in the number of pieces of currency thereby increases or decreases the amount of its loanable products—palpable absurdities. It is true that a lack of confidence makes men unwilling to place loans, but the trouble lies in the instability of the monetary medium, not in its lack of quantity.

Having established in their own minds the evils resulting from the demonetization of silver, this class of agitators set about to prove that the act of 1873 was an event in a world wide conspir-

[1] "The business man and capitalist has had, to be sure, to deal with falling prices, but the same amount of capital and labor has turned out more commodities than before; and his total money returns, so far from declining, have increased. The money incomes of the managers of industry have shown the same upward movement, as the money incomes of other classes in society. So long as this is the case, it is idle to talk of a depressing effect on enterprises from the fall of prices, or of a strangling of the industrial organism from insufficiency of the circulating medium." TAUSSIG, *Silver Situation*, pp. 98–99.

[2] "It is the presence of it [money] in the country that gives credit to banks and financial men, men that have money to loan to men that control industries, the commerce and the finances of the country. If it is absent, or if one-half of it is dead, credit is to that extent limited."—Senator MORGAN, *Record*, vol. xxi. part viii. p. 7089.

acy among the creditor classes to oppress the debtors, surreptitiously forced upon the people of the United States.[1]

Wearying indeed are the debates upon this question, which seemed to be the chief point of contention between the advocates and opponents of free coinage. A few quotations will serve to illustrate the temper of those who upheld this theory. Said Senator Reagan:

The reason for the demonetization of silver was that it would increase the value of gold and of bonds, and of other evidences of indebtedness, and that it would increase the value of fixed incomes; that it would tend to enrich the creditor classes and those who owned money. It was inspired chiefly by the English and German bondholders, by the privileged and wealthy of Europe who live on fixed incomes and by the bondholders and bankers of this country. It

[1] The following is a tabulated statement of the process by which the act of 1873 became a law. Readers may draw their own conclusions concerning its surreptitious enactment. [7 a]

PROCEEDINGS	SENATE	HOUSE
Submitted by the Secretary of Treasury	April 25, 1870	--------
Referred to Senate Finance Committee	April 28, 1870	--------
Five hundred copies printed	May 2, 1870	--------
Submitted to House	--------	June 25, 1870.
Reported, amended and ordered printed	Dec. 19, 1870	--------
Debated	Jan. 9, 1871	--------
Passed by vote of 36–14	Jan. 10, 1871	--------
Senate bill ordered printed	--------	Jan. 13, 1871
Bill reported with substitute and recommitted	--------	Feb. 13, 1871
Original bill reintroduced and printed	--------	Mar. 9, 1871
Reported and debated	--------	Jan. 9, 1872
Recommitted	--------	Jan. 10, 1872
Reported back, amended and printed	--------	Feb. 13, 1872
Debated	--------	Apr. 9, 1872
Amended and passed by vote of 110–13	--------	May 27, 1872
Printed in Senate	May 29, 1872	--------
Reported, amended and printed	Dec. 16, 1872	--------
Reported, amended and printed	Jan. 7, 1873	--------
Passed Senate	Jan. 17, 1873	--------
Printed with amendments	--------	Jan. 21, 1873
Conference Committee appointed	--------	--------
Became a law Feb. 12, 1873	--------	--------

LAUGHLIN'S *Bimetallism*, p. 98. See also the note by MR. POWERS, in this number of the JOURNAL.

sprang from the venal and corrupt motives of those who designed to enrich themselves by oppressing and wronging others, and I am persuaded that history will write it down as the greatest legislative crime, and the most stupendous conspiracy against the welfare of the people of the United States and of Europe which this or any other age has witnessed.[1]

The following is from a speech of Senator Stewart:

Nothing but more money will right the wrong that the gold standard contractionists have perpetrated. The people now demand the remonetization of silver, and give notice that if that is not enough they will demand sufficient legal tender paper money to enable them to retain their property, maintain liberty and independence, and enjoy something of the wealth their labor has produced. Let the money kings take warning and cease their dishonest practices before they compel the people to pay their debts in inflated paper money to save themselves from want, starvation and slavery.[2]

Other speeches were still more revolutionary. Said Mr. Stone, of Missouri:

I cling to the hope that the time is not far distant when the slow gathering wrath of the people, long cheated, deceived, wronged, outraged, will leap like a flame over the land, sweeping your custom houses from the face of the earth, melting our silver mines into money for the use of the people in the liquidation of their debts and in the convenient and profitable conduct of their business.[3]

These statements certainly savor of wholesale repudiation and, if necessary, of rebellion.

The reasoning in favor of the debtor classes was completed by an attempt to prove the justice of free silver as a remedy[4] for

[1] *Record*, vol. xxi. part iii. 1st session, LI. Congress, p. 2830.

[2] *Record*, vol. xxi. part vi. p. 5077.

[3] *Record*, vol. xxi. part vi. p. 5808.

[4] It is at least questionable whether free coinage would actually raise prices. If in the substitution of the silver currency confidence were impaired prices would certainly fall. Any attempt at monetary manipulation which does not take into consideration credit, will not produce the result desired. Our present condition of business depression, failing markets and falling prices, which has followed increased silver issues under the law of 1890, shows that mere additions to the metallic circulation cannot be relied upon to raise prices. Furthermore the question arises, How will the debtor obtain the money after it is coined?

the evils of contraction. The arguments were (1) theoretic, (2) technical and (3) moral. (1) It was urged that gold had risen in value, while silver, instead of falling, had maintained a remarkable steadiness as compared with the value of staple commodities. The belief that gold had risen followed logically from the postulate that credit must bear a fixed proportion to metallic money. If this be true, and the law of 1873, as was claimed, had cut off one-half the metallic basis, the increasing monetary work of the world was thrown upon the remaining metal, and its rise in value followed naturally. The steadiness in the value of silver was plausibly maintained by reference to tables of prices dating from 1873. Said Senator Jones :[1]

If I can show that for a period of seventeen years, since its demonetization in 1873, silver has lost none of its purchasing power, none of its command over commodities, that is to say, if I can show 412½ grains of silver to-day, uncoined, and shorn by hostile legislation of its principal element of value — the money use — will buy as much as would 412½ grains of silver in 1873 (when our silver dollar bore a premium over gold) of all the articles that enter into the daily consumption of the people, it must be manifested that silver has not fallen in value. In order to demonstrate that gold has risen, I will bring side by side the gold prices of a number of leading commodities of commerce in 1873 and 1889 respectively, and the amount in silver bullion that in 1889 would purchase an equal quantity of the same commodities.

This is logical and convincing, but inferences from tables of prices are dangerous, and in this case positively misleading. It is true that if a beginning is made in 1873 when prices are at flood height, by reason of prolonged speculation, a remarkable correspondence is found between the fall in the prices of staple commodities and silver. If, however, we go back beyond the speculative era, computing our tables from the level of 1845 and 50, we shall find, according to Mr. Soetbeer, that one hundred and fourteen *staple* commodities had, in the long run, risen on an average 6 per cent. from 1845-50 to 1889, and that the tendency was then upward, while during the same period the price of silver

[1] *Record*, vol. xxi. appendix, p. 353.

had fallen 28 per cent., a difference between commodities and silver of 34 per cent., with the tendency of silver still downward. Necessarily, then, this argument falls to the ground.

(2) Technically it was maintained that there are no obligations in the United States which may not be paid as well in silver as in gold. The constitution, it was urged, provided for the coinage of gold *and* silver, and the law of 1873 was in direct violation of this. The constitution secured the absolute right of the debtor to pay in the cheaper coin. Said Congressman Moore,[1] of Texas: "Congress had no more power to demonetize it than it had to pass an *ex post facto* law."

In this connection it was denied that we were actually upon a gold basis. This was asserted with great earnestness:

I utterly deny and dispute the premises that the United States is to-day a gold standard nation, and if the Senator from New Jersey can show me, or if any gentleman can point me to a fact that makes this a gold standard nation, that does not belong to the realm of that discretion, which sometimes in the Secretary of the Treasury evades and disappoints the law, he would be giving me information of which I am at present devoid.[2]

(3) Finally it was claimed that "this cry for the best money is at last beginning to be recognized for what it is; the cunning devise of creditors to 'catch the conscience' of the people and play upon the sense of fairness that characterizes the great mass of mankind."[3]

Wall street and the Treasury Department recognize silver dollars as a good legal tender in the payment of public contractors and the officers of the Government and in the payment of the army and navy and pensions; but the Administration, like its predecessors, assumes that nothing but gold is good enough to pay the bondholders. In reaching this conclusion it seems to have been convenient for the present and past administrations to forget that these bonds originally cost the holders of them only about 50 cents in specie on the dollar.[4]

[1] *Record*, vol. xxi. part vi. p. 5733.

[2] Senator DANIEL, *Record*, vol. xxi. part vii. p. 7059.

[3] Senator JONES, of Nevada, *Record*, vol. xxi. appendix, p. 208.

[4] Senator REAGAN, *Record*, vol. xxi. part iii. p. 2833.

To crown the argument the cry was raised that the limited coinage of silver is an unjust discrimination against the people's money :

" Silver is the money of the people, the common people, not of the speculators, not of the wealthy men, not of the kings and princes and potentates. It is the money of the people and has been the money of the people so long and so far back in the history of the race as we have any record of whatever." [1]

It seems almost incredible that this train of reasoning, its assumptions based on error in fact, its postulates on error in theory, and its conclusion leading directly and inevitably to repudiation, could have found supporters in the Congress of the United States, yet it was maintained vigorously by the leaders of the silver party in both Houses with far more energy than it was opposed.

D. The reasoning in favor of a Special Industry.

By the close of the last decade the persistent fall in the market value of silver had convinced the mine owners and all those dependent on subsidiary employments that the only hope of restoring prosperity to the silver mining industry lay in immediate and decisive action of Congress in the direction of greater silver coinage. Thus was added a powerful wing to the free coinage party in the Fifty-first Congress. The Congressmen from the far West were among the most insistent advocates of free coinage. The arguments they brought to bear in behalf of this industry resulted in a plausible chain of reasoning. At the outset this reasoning assumed the postulate of the National Bimetallist, that the legislation of 1873 caused the fall in the value of silver. It was then argued that the prosperity of the whole country is so intimately connected with the silver industry that the depression forced upon it by hostile legislation had spread throughout the nation. This idea was vigorously expressed by Delegate, now Senator, Dubois, of Idaho.[2]

The West is pouring in upon the East $95,000,000 annually in

[1] Senator VANCE, *Record*, vol. xxi. appendix, p. 283.

[2] *Record*, vol. xxi. appendix, p. 353.

gold and silver. This has been a steadily swelling stream for forty years. What would your country have been without it? You might have had one railroad to St. Louis or Chicago now, and your business would have been swopping loopholes for tobacco and burning corn for fuel, as of old. . . . The farmers made a profit by their labor all through the great war; they continued to prosper for eight years after the war closed. But a blight came upon them, what was it? What caused it? The chief function of silver, that of money, the perfect measure of values, was taken from it. So soon as that dishonor was cast upon it as compared with gold it began to fall in value. . . . But silver is a royal metal, and as it has gone down it has carried every other product of industry with it in precisely the same ratio.

This is simple assertion and proves nothing, but it must be admitted that losses have occurred of a serious nature from the depressed value of silver on account of the reduced price at which our silver must be sold abroad. But scientific investigators now deny the argument, so frequently urged to account for the depression of our agricultural interests, that the growth of wheat and cotton is stimulated in the East, and drives our products from the European markets because of the great profitableness of trade resulting from the ability to buy silver in the West cheaply, which when coined passes at full value with the silver-standard nations of the East. It is now shown that however much the Indian "ryot" may receive, the Indian trader, with whom the western merchant deals, understands the fall in the value of silver and demands payment in silver at its gold valuation. Believing the validity of this argument, however, and relying on the power of legislation, the silver advocate saw the remedy in free coinage. The United States, he argued, being the producers of forty-three per cent. of the silver of the world, might by free coinage become absolute master of the silver markets of the world,[1] raise its price and "cut off the advantages which the Indian producer now

[1] "We are in the position to control the metals of this country in our own interests, instead of London being the great centre where you find gold and silver exchanged, and instead of England controlling the value of the two metals, New York would become the exchange of the world as between gold and silver."—Mr. BLAND, *Record*, vol. xxi. part vii. p. 6454.

enjoys over our own in wheat and cotton."[1] We would establish an American policy and force the eager and silver-starving world to our ratio. If it reduced us to a silver basis, cutting us off from our relationship with the great commercial nations of the West, we should have an increased commerce with the silver-standard nations who far exceed in population the nations using gold. The idea of such a rupture of international monetary relations was hailed as an unmixed good by many.[2] Said Senator Jones:[3] "The property of mobility, of fluidity, which is so much lauded in gold, is precisely the property least to be desired in the money of our country, if that property of mobility or fluidity is to keep altering prices and disarranging equities. Whenever in the history of our country there has been least reliance on international money (gold) and more reliance on merely national money (even of paper when reasonable limits were placed upon its quantity), prosperity has been everywhere present. I need not recall to the mind of Senators the wave of prosperity that swept over the country when it was without any international money and resorted to the 'greenback' currency."

The true animus of this whole train of reasoning, which many wished to conceal, was in fact a desire for protection to a particular industry. By some this was plainly confessed. The silver miners, they said, had built up the industry and the country on the supposition that free coinage would continue. They had a right to expect its continuance, for had it not the sanction of the constitution and the usages of centuries? Its restoration would be only justice.[4] Said Senator Stewart:[5] "There is not a silver

[1] Mr. LIND, *Record*, vol. xxi. part vi. p. 5696.

[2] "I have taken no note of what to my mind are matters of trifling moment, namely: A fixed par with England. Our foreign trade is a trifle compared with our domestic, and of our foreign trade only a trifle flies to and fro as balance of trade, and that balance goes as bullion regardless of our money definitions, except when they happen to coincide with weight relations. In short, it is a simple matter of bookkeeping."—Mr. WICKHAM, *Record*, part vi. p. 5752.

[3] JONES, of Nevada, *Record*, vol. xxi. appendix, p. 268.

[4] Mr. BARTINE, *Record*, vol. xxi. part vi. page 5797-8.

[5] *Record*, vol. xxi. part vi. p. 5072.

dollar in the United States that will not bring one hundred cents in gold. The United States buys 412½ grains of bullion for eighty-two cents, and coins it into a dollar and makes the difference. Why should not the owner of the bullion, as formerly, have it coined and save the loss?"

The error, as in other arguments, plainly lies in the supposition of unlimited power of legislation to counteract natural monetary laws. Further, it was argued that there is no reason why the United States should not protect the silver industry as well as other industries. The mining States had aided to protect eastern industries—turn about is fair play.[1] The loss and distress resulting from the fall in the value of silver is undoubted, but the occurrence is not unique. Every industry has experienced revolutions from the substitution of better methods, and the old machinery sinks into subsidiary use, entailing loss to its possessors and producers. It is an inevitable consequence of progress. Should our Government attempt to stay the process, to protect all obsolete industries and methods, itself would soon be whelmed by the natural laws which it would violate.[2]

III.

To complete our study of the silver debate of 1890, the character of the transaction as a whole will now be considered, and the causes that determine the nature of this treatment which the silver question received from the members of the 51st Congress will be examined. Throughout the debate the advocates of free coinage were doggedly persistent in their efforts to force upon Congress an unequivocal discussion upon this question and the consideration of an unequivocal bill. They assumed a distinctly aggressive attitude, boldly advocating free coinage of silver from the standpoint of the inflationists, the debtor and the silver miner, and vociferously denouncing all (the government

[1] Mr. BARTINE, *Record*, vol. xxi. part vi. p. 5798.

[2] Silver has fallen out of international use as the result of universal natural laws, and it must continue to fall until the supply is readily absorbed for subsidiary monetary uses and in the arts.

officials not excepted), who were not in sympathy with their ideas. The merit of their arguments we have already examined. Based on fundamental economic errors and historical misrepresentations,[1] they deserve no consideration.

The attitude of the opponents of free coinage on the other hand was in marked contrast to the bold and decisive stand taken by the silver advocates. Instead of laying bare the fundamental errors at the basis of the silver arguments and refuting them vigorously, they admitted in general that true bimetallism was possible, that great evils had arisen from the demonetization of silver, and that something must be done at once to relieve the country from distress arising out of currency contraction.[2] The main issue was avoided, and the endeavor made to confine the discussion to compromise measures which should be forced through Congress with as little discussion of the main topic as possible.[3] Thus their attitude in general was conciliatory and concessive.[4] In the Senate Mr. Aldrich, an opponent of free coinage, furnished an example of this attitude in the following remarks:

There is no substantial difference of opinion among Senators as to the nature of the evils which have arisen from the outlawry of silver. The diversity of opinion does not relate to the general ques-

[1] A volume would be needed to correct the historical errors foisted upon Congress by the free silver advocates and uncontroverted by their opponents.

[2] Even Senator Sherman admitted that the business of the country labored under contraction, and he favored more money as a relief. Speaking of his amendment to the Senate bill (see Section 6 of conference report) he said, "That would unloose about $50,000,000 lying idle in the Treasury and relieve part of the contraction under which the business of the country now labors." *Record*, vol. xxi. part v. 1st session LI. Congress, p. 4238.

[3] It is not asserted that this was the attitude of all silver opponents, but of the opposition as a whole.

[4] The following is a passage from the Report of the House Committee on Coinage, Weights and Measures on House bill 5381: "The silver problem as respects the world and ourselves is at present in such a complicated condition that it is impossible to make a correct and permanent solution at one stroke. Ultimate free and unlimited coinage of silver with proper use of paper representation is certainly desirable and ought to be attained." *Record*, vol. xxi. part iv. 1st session LI. Congress, p. 3250.

tion of the importance and the right of having silver restored to equality with gold, but merely as to the nature of the remedy which would be found effective and to the method of its application . . . Senators forget in their enthusiasm over generalities that we are simply engaged in a controversy over the ways and means of accomplishing a result which has for many years been recognized as desirable.[1]

In the House, Mr. Conger, manager of the House bill, said in a similar vein :

These then are the conditions to be met, and therefore the objects to be attained by legislation are to restore silver to its old place by the side of gold, increase its use, and so appreciate its value, increase the volume of our currency, raise prices of farm and other products, give relief to all depressed conditions, and finally coax or compel some international agreement that will make the desired situation stable and permanent, but at the same time do nothing that shall imperil values, endanger business, or greatly risk personal or national credit and prosperity.[2]

Such being the attitude of the opponents of free coinage, the discussion from an economic point of view was necessarily weak, not only failing to enlighten the people on sound monetary principles, but on account of the unrefuted false economic assumptions and false historical interpretations, positively misleading the masses of intelligent citizens who are obliged to rely upon others for their data in relation to monetary questions. The result of this half-hearted attitude, moreover, was the passage of an equivocal bill, placing the country no nearer to a solution of the difficulties than before.

It is important to enquire into the meaning of this anomalous treatment of the silver question. What were the causes that determined the attitude of Congressmen in regard to this important issue? On the part of the advocates of free silver, to a great extent, the discussion was sincere. Many of them without doubt believed that the industrial situation was desperately bad, that the demonetization of silver was the cause, and that its remonetization could alone restore prosperity. But this will not account

[1] *Record*, vol. xxi. part vi. p. 6031.

[2] *Record*, vol. xxi. part vi. p. 5652.

for all the false economic reasoning, historical misrepresentation, and shameless vituperation in which they indulged. On the other hand, the attitude of the opponents of free coinage was not assumed from lack of ability or knowledge. Many of them are counted among the best informed public men of the nation, whose writings and speeches, on other occasions, have exhibited no lack of information, historical or economic; besides, some of them had fought over practically the same ground, in Congress, in 1874, when sound principles triumphed. Nor could this attitude of compromise in debate, and a resort which was made to parliamentary manœuvering, to prevent the question of free coinage from being squarely presented to Congress, be accounted for, as some have since, in their anxiety to defend themselves from criticism, asserted, by a fear that otherwise a free coinage law would be enacted at this session, for the President of the United States had declared in his annual message[1] against free coinage, and it was admitted that a free coinage bill could not be carried over his veto. In fact there was a clear majority in the House against free coinage, as shown by test votes on the question.[2] Only one supposition is then possible, that some ulterior consideration was acting to determine the treatment which this

[1] "I think it clear that if we should make the coinage of silver at the present ratio free, we must expect that the difference to the bullion values of the gold and silver dollars would be taken account of in commercial transactions, and I fear the same result would follow any considerable increase of the present rate of coinage. Such a result would be discreditable to our financial management, and disastrous to all business interests. We should not tread the dangerous edge of such a peril. And indeed nothing more harmful could happen to the silver interests. Any safe legislation upon this subject must secure the equality of the two coins in their commercial relations." — President HARRISON'S *Message* delivered to Congress Dec. 3, 1889. *Record*, vol. xxi. part i. p. 87.

[2] June 7, on the motion to recommit House bill 5381 to the Committee on Coinage, Weights and Measures, with instructions to report back a Free Coinage Measure, the vote stood,—Yeas 116, Nays 140, a majority of 24 against recommittal. *Record*, vol. xxi. part vi. p. 5814. June 25, in the House, on concurrence in the Senate amendments, making a free coinage measure of House bill 5381, the test vote stood,—Yeas 135, Nays 152, a majority of 17 against concurrence. *Record*, vol. xxi. part vii. p. 6503. The condition in the House must have been known early in the session for no one is ever convinced by these Congressional discussions.

question received from both the friends and enemies of free coinage. The discovery of this motive is easy, when one understands the American habit of treating economic problems as political questions. (a) The necessity for monetary legislation at this session, (b) the character of the discussion, and (c) the nature of the law enacted, all were determined by political considerations. This is a bold statement, and a startling indictment of the members of the Fifty-first Congress, but it may be proved beyond reasonable doubt.

(a) It is true that the immediate cause of monetary legislation at this time, was an irresistible public sentiment, engendered throughout the West and South by the depressed condition of industries. But it has already been shown that this depression was temporary and local. It was one of the frequent disturbances which come of necessity to rapidly growing countries. It had very slight, if any, connection with our monetary circumstances. Why then did the people, at the first sign of declining prosperity, without questioning the cause of the decline, raise an almost universal cry for monetary legislation. This is the key to the situation. The people, gaining their first idea of the benefits of monetary legislation from the seeming prosperity of the period of currency inflation, were prone to regard such legislation as an unlimited power, and a source of relief from depressed conditions. The people being thus disposed, the politicians, to gain prestige, encouraged them in their folly, taught them that all the evils following the crisis of 1873 were due to the demonetization of silver, and that its restricted use was at the root of each successive depression, and that the extended issue of that metal is a ready cure-all for all industrial ills. The pupils soon got beyond the control of the master. The public learned to vociferously demand legislation at the first sign of distress, and the politicians found themselves obliged to comply with the demands, to save the whole monetary system from destruction. This is not mere hypothetical supposition ; it has long been recognized as a fact by thinking people, and congressmen themselves, when in a candid mood, admit it. Mr. Walker, of

Massachusetts, a member of the Conference Committee, gave it as his reason for assisting in the enactment of the law of 1890. In a speech delivered in the House, June 6, 1890, he said:

I am going to vote for this bill. Why? because I know, that from 1878 down to the present time, the members of this House, for the purpose of getting back here, have indulged, coddled and miseducated and encouraged the people in their follies. That is the point, and therefore we have gotten into their minds such false ideas that something must be done, or they will break our monetary system entirely up.[1]

(b) Monetary legislation then being necessary, the discussion was also circumscribed by political legislation. This was a question on which party lines were not drawn. Sections of each party favored the issue of more money. The sentiment in the West and South in favor of silver had been strong enough to force into the platform of the dominant party a pledge to uphold the concurrent use of gold and silver as money. The National Republican Convention, which met at Chicago in 1888, declared: "The Republican party is in favor of both gold and silver, and condemns the policy of the Democratic administration in its endeavor to demonetize silver." This made the silver question a political issue, and the opponents of free coinage and inflation dared not offend their party brethren in the West and South by any opposition to the idea of the bimetallic policy or currency expansion. In fact they were bound in the discussion to advocate these ideas, said Mr. Conger, a leader of the opposition in the House:

And here I may add that the whole contention of those opposed to free coinage in this session of Congress has been to have assurance that silver and gold shall both be used, and kept at a parity, and that there is and has been no opposition by them to an expansion of the currency."[2]

Senator Sherman, a man who has stood for years as the typical advocate of sound money, introduced and advocated Section 6 of the Sherman law in order to add immediately to the circu-

[1] *Record*, vol. xxi. part vi. p. 5707.

[2] *Record*, vol. xxi. part viii. p. 7190.

lation. The report of the Committee on Coinage, Weights and Measures on House bill 5381 contained the following passage:

The outlawry of silver by Germany, the acts of France and the other governments of the Latin Union, the results of our own legislation, the gradual retirement of the national bank circulation, our rapidly increasing population, the unparalleled growth of trade and commerce, the important industry of silver production, the depressed condition of agriculture, all demand some immediate and judicious legislation. The requirement is imperative. No people can prosper without a liberal supply of money, and that nation prospers most which has the *largest* circulation of the best."[1]

This, in a great measure, accounts for the character and weakness of the silver debate. On account of political necessity, bimetallism was advocated, alike by the friends and enemies of free coinage, as the ideal monetary system, and the issue of more money urged as a prime necessity. Thus the reasoning for bimetallism and inflation being practically admitted, the position of the opponents of free coinage was rendered ludicrously weak. The backbone of the opposition was broken.

(c) Political considerations determined the character of the debate; party consideration determined the nature of the law actually passed. A single political party was dominant in the legislative and executive branches of the government. Action on the silver question was necessary, and for the action taken this party alone would be held entirely responsible. To insure its political success, the dominant party was obliged to legislate in a way to please its members in all sections of the country. Should it enact a free coinage law, it would lose the support of the East. If it allowed the passage of the bill demonetizing silver or further restricting its issue, the West and South would not support it. Under these circumstances, to avoid defeat, the dominant party found itself obliged to force through Congress an equivocal law, one which might be advocated either on account of its gold or its silver tendencies, a law which should yield to the West a greater issue of money, and satisfy the East by the continuance

[1] *Record*, vol. xxi. part iv. p. 3250.

of the gold standard. The party was obliged to make a successful struggle to convince everyone that, in vulgar phraseology, it was the "friend of the people." It was of the highest importance to the party in carrying out this design to prevent the direct consideration of the free coinage question, as in that case the party would be obliged to take an unequivocal position, and it was the political duty of the leaders to make the discussion as partisan as possible, in order that, should the direct issue be forced, the party followers in Congress would support the party bill.[1] The issue was rendered still more partisan by the political party in the minority. They saw the advantage of forcing the majority to a direct consideration of free coinage, for whatever was done they had politically nothing to lose and everything to gain, as the responsibility for all acts rested with the dominant party. Thus was an economic question made to appear a radically partisan issue on which Congressmen would sacrifice principle down to the last iota, to insure party success. This is the key to the Sherman act. The inside history of the debate, including the origin and character of the bills discussed, substantiates this assertion.

The original bills (S. 2350) and (H. R. 5381) were prepared by a Republican Secretary of the Treasury at the request of a Republican Senate Committee.[2] The plan proposed by the Secretary being, however, too conservative, substitutes were offered for both bills. The substitute in the Senate was reported from the Committee in the regular way and received regular consideration, but in the House the Committee first presented the Windom plan, with amendments, and a report from the majority showing the character of the bill. The following extracts from this report reveal the efforts of the dominant party to prepare a

[1] "I have been talking of the bill as a patriot, I want to use just a few moments now in talking of the bill as a patriot and a Republican . . . My friend from Illinois suggests that they are synonymous terms. I heartily agree with him in that. I do so because this is a Republican measure, and I am here, gentlemen, to say that every important measure that has been successful in this country, with one solitary exception, has every one of them been a Republican measure." Mr. CONGER, Leader in the House. *Record*, vol. xxi. part viii. p. 7191.

[2] *Record*, vol. xxi. part i. p. 897 and 708.

measure which should unite all the opposing elements of the party:

It is a step and a long step in the direction of free coinage at a fixed and international ratio. . . . Under the provisions of this act silver would unquestionably appreciate in value, and the probability is that it would rapidly approach a parity with gold, at the ratio long ago fixed by the law, namely, 16 to 1. If this should happen, then our mints can be safely opened to free coinage, provided by the bill. . . . It will give present and substantial help to all our people, and Congress will be always ready to support it with any future requirement. . . . It certainly should satisfy the silver miners and bullion owners, because it takes their entire product at the highest market price. It should be welcomed by those who believe in expanded money volume, because it will add $50,000,000, or more, to our circulation annually. It ought to receive the hearty endorsement of the great body of agriculturists, for an increased volume of money always raises prices, and so must add materially to the value of all farms and farm products. It should receive the cordial approbation of the millions who toil, because their wages for the same reason must surely appreciate under it. . . . It should be gratefully received by the manufacturer and tradesman, because business must receive fresh impetus from it; and bankers and timid capitalists ought to be content, because it furnishes an honest, stable and reliable financial medium.[1]

Not satisfied with the report of the committee, the Republican party met in caucus and prepared a substitute,[2] which, being presented by Mr. Conger as from the committee, became the House bill. This was a Republican party compromise, and at the opening of the debate, June 5, it became evident that the caucus had also prepared a plan by which it was to be manœuvered through

[1] *Record*, vol. xxi. part iv. p. 3250.

[2] "Let this much be said for it, that it is of exclusively Republican paternity. The Committee on Coinage, Weights and Measures have had no opportunity to consider it, and members on this side of the House have had no opportunity to see it."—Mr. WILSON, of Ill., *Record*, vol. xxi. part vi. p. 5664.

"The bill first introduced is understood to have emanated from the Treasury Department, and is usually called the "Windom plan;" while the bill proposed by the committee, and which is understood to be the Republican Caucus Measure, is offered by the committee to be substituted by the other."—Senator JONES, of Arkansas, *Record*, vol. xxi. part v. p. 4606.

the House, if possible, without the chance of a direct vote on free coinage. That day the Committee on Rules reported the following:

Resolved, That upon the passage of this resolution the House proceed to consider bill 5381, and said consideration shall continue until Saturday, June 7, when the previous question shall be considered as ordered at 3 o'clock P. M. on bill and pending amendments.[1]

The adoption of this resolution was fiercely opposed by the Democrats. Said Mr. Bland (Dem.):

I am informed that this order prevents not only the offering of an amendment like the proposition for free coinage, but any amendment that may be required to perfect the bill, unless it comes from the chairman of the Committee on Coinage, Weights and Measures.[2]

Mr. Springer (Dem.) denounced the resolution as follows:

This resolution is so framed as to prevent this side of the House, as well as the minority of the other side of the House—for, gentlemen, you will have to take the 'gag' law yourselves . . . —it is so framed that no amendment is to be allowed, in which the friends of the free coinage of silver can present their views for a fair vote of the House.[3]

The resolution was passed by a party vote—yeas 120, all Republicans except Mr. Blount, who voted in the affirmative in order to move a reconsideration; nays 117, 107 Democrats, 10 Republicans.[4]

That the charge made by the Democrats was true, is shown by the opening of the debate which followed the adoption of the resolution. As soon as the bill, reported previously from the Committee on Coinage, Weights and Measures, was read, Mr. Conger, chairman of the committee, offered a substitute. The substitute was read. Then followed this colloquy:[5]

[1] *Record*, vol. xxi. part vi. p. 5645.

[2] *Record*, vol. xxi. part vi. p. 5646.

[3] *Record*, vol. xxi. part vi. p. 5647.

[4] The bolting Republicans were from the ultra free coinage districts. They were: Anderson, Kan.; Bartine, Nev.; Connell, Neb.; De Haven, Cal.; Featherston, Ark.; Hermann, Ore.; Morrow, Cal.; Townsend, Col., and Vandever, Cal.—*Record*, vol. xxi. part vi. p. 5648.

[5] *Record*, vol. xxi. part vi. pp. 5652-3.

Mr. *McComas* (Rep.) Mr. Speaker, I desire to offer an amendment to the substitute.

Mr. *Bland* (Dem.) I wish to offer an amendment.

The *Speaker*. The gentleman from Maryland [Mr. McComas] is recognized to offer an amendment, which will be read. . . .

Mr. *Taylor* of Illinois (Rep.) I offer an amendment to the original bill.

Mr. *Bland*. I offer an amendment to the amendment.

The *Speaker*. The gentleman from Illinois is recognized to offer an amendment.

Mr. *Bland*. I offer an amendment to the amendment.

The *Speaker*. The clerk will read the amendment proposed by the gentleman from Illinois. . . .

Mr. *Bland*. Mr. Speaker, I desire to offer an amendment.

Mr. *O'Donnell* (Rep.) Mr. Speaker, I desire to offer a further amendment to the original bill.

The *Speaker*. The amendment of the gentleman from Michigan [Mr. O'Donnell] will be read. . . .

Mr. Conger (Rep.) was recognized.

Mr. *Bland*. I desire to offer a substitute for the two amendments.

The *Speaker*. It will not be in order.

Mr. *Conger*. Mr. Speaker, ——

Mr. *Bland*. Mr. Speaker, when will it be in order ——

The *Speaker*. The gentleman from Iowa [Mr. Conger] is recognized.

Mr. *Bland*. I rise to a question of order. There have been two amendments offered to the original bill. I now desire to offer a substitute for the two. That certainly is in order.

The *Speaker*. The gentleman from Iowa is recognized.

Mr. *McCreary* (Dem.) I rise to a parliamentary inquiry.

Mr. *Bland*. I want to know if it is not in order under parliamentary proceedings to offer a substitute at this time ?

The *Speaker*. The gentleman from Missouri is not in order. The gentleman from Iowa in charge of the bill has been recognized.

Mr. *Bland*. I arose to a parliamentary inquiry; I certainly have a right to an answer to my parliamentary inquiry.

The *Speaker*. The Chair will examine that question when the amendment is offered.

Mr. *Bland*. Then will the Chair recognize me to offer a substitute ?

The *Speaker*. That is another matter altogether. . . . .

Mr. *McCreary* (Dem.) If there is any thing in the rules of the House forbidding this [the offering of the substitute] I do not know it.

The *Speaker*. The gentleman from Iowa will proceed.

Mr. *McCreary*. Was the Speaker making this ruling on the resolution adopted this morning?

The *Speaker*. Precisely.

Mr. *McCreary* (Dem.) Which as construed excludes us from offering amendments.

The *Speaker*. If the gentleman from Kentucky [Mr. McCreary] understands that why does he ask the Chair for information?[1]

If any further evidence were needed to show the political nature of this bill and the partisan manner in which it was forced through the House, it is found in the speech of Mr. Walker of Massachusetts, a member of the dominant party. Mr. Walker said:

It is pure politics, gentlemen, that is all there is about it. We Republicans want to come back and we do not want you (to the Democratic side) to come back here in the majority, because, on the whole, you must excuse us for thinking we are better fellows than you are. That is human nature; that is all there is in this silver bill—pure politics. . . . Being a Republican, and voting politically, I am for the bill.[2]

After a partisan debate the amendments were passed and the substitute, as amended, was adopted, engrossed and read for the third time. Then the Speaker was obliged to allow Mr. Bland to offer a resolution to recommit, with instructions to the committee to report a free coinage substitute. This motion was rejected by

[1] Mr. Bland protested against these proceedings in the following words: "Fair play has not been had in this matter. I found that when I undertook to get recognition yesterday when the gentleman offered his substitute, the Speaker turned his back to me and his face to the other side and recognized a gentleman on that side to offer an amendment. I undertook to offer an amendment to the amendment to the original bill, and again the Speaker turned around and recognized a gentleman on the other side. I undertook again to offer the amendment, and the Speaker again turned his face from me and recognized a member on his own side. He recognized gentlemen on that side to offer all the amendments that the Speaker now holds can be offered to this bill, and I want the House and the country to understand the gag law that has been forced upon the minority on this side of the House, upon this subject."—*Record*, vol. xxi. part vi. p. 5716.

[2] *Record*, vol. xxi. part vi. p. 5707.

a vote of 116 to 140.[1] The bill was then passed by a vote of 135 to 119[2] and sent to the Senate. When the bill returned from the Senate, it was with amendments making it a free coinage measure. In these amendments the House was asked to concur. In spite of the efforts of the dominant party the direct issue had come, but it was equal to the occasion. A partisan strife was stirred up over the rules governing the bill, as amended, in the House.[3] Three days were spent over this discussion, and only two or three amendments. Then the motion to concur was defeated by a vote of 135 to 152,[4] and a conference requested on the disagreeing votes of the two houses.

The request for a conference being granted and conferees appointed, the dominant party was at last relieved from the dread of a direct issue. But it remained for the conference committee to construct a bill so equivocal, that it might be claimed as favorable to both the friends and the enemies of free coinage. The committee consisted of four Republicans and two Democrats. According to statements of both Mr. Walker,[5] a member of the committee from the Republican party, and Mr. Bland,[6] a member of the committee from the Democratic party, the Democrats of the committee were dismissed by the majority of the committee, and the Republicans framed a measure which should satisfy all wings of the Republican party. How well they succeeded the following extracts from speeches on the conference report shows. Mr. Dolph,[7] an opponent of free coinage said:

[1] Yeas 116; 102 Democrats, 14 Republicans — nays 140; 127 Republican, 13 Democrats.—*Record*, vol. xxi. part vi. p. 5815.

[2] Yeas, 135 Republicans, no Democrats — nays 119; 113 Democrats, 6 Republicans.—*Record*, vol. xxi. part vi. p. 5815.

[3] Those who remember the debate in the early part of this session over Speaker Reed's code of rules, will appreciate the partisan feeling stirred up by this three days' discussion.

[4] Yeas 135; 112 Democrats, 23 Republicans — nays 152; 130 Republicans, 22 Democrats.—*Record*, vol. xxi. part vii. p. 6503.

[5] Worcester *Sunday Telegram*, July 2, 1893 (reprint of a letter from Congressman Walker, of Massachusetts, to the New York *Tribune*).

[6] *Record*, vol. xxi. part vii. 1st session LI. Congress, p. 7193.

[7] *Record*, vol. xxi. part viii. p. 7106.

I intend to vote for this measure. I vote for it because I consider it as different from free coinage as night is from day. . . This bill distinctly announces the fact that it is the intention of Congress, by this bill, to maintain the present standard — the gold standard.

Congressmen who favored free coinage were equally well pleased with the report. Mr. Perkins in his speech remarked:

As a representative of a Western constituency that believes in the free and unlimited coinage of silver, I give this measure my hearty support; it is because that I believe practically it brings to the people of the United States all that free coinage would bring.[1]

The following is from the speech of Mr. Townsend of Colorado:

I am in favor of everything that goes in the direction of free coinage, and if those on the other side who profess to be for free coinage are in favor of going in that direction, it seems that the logical and only consistent course for them to pursue, is to vote for the conference report."

The report created partisan discussion in each house, and was passed by strictly party votes. In the Senate the vote on the concurrence stood: yeas, 39, all Republicans; nays, 26, all Democrats. In the House the final vote was: yeas, 122, all Republicans; nays, 90, all Democrats.[2] The passage of the bill was a party success, but a financial enormity. Aside from

[1] *Record*, vol. xxi. part viii. p. 7223.

[2] In the Senate. YEAS: Aldrich, Allen, Allison, Blair, Casey, Cullom, Davis, Dawes, Dixon, Dolph, Edmunds, Evarts, Farwell, Frye, Hawley, Higgins, Hiscock, Hoar, Ingalls, Jones, of Nev., McMillan, Manderson, Mitchell, Moody, Pettigrew, Pierce, Platt, Plumb, Power, Quay, Sanders, Sawyer, Sherman, Spooner, Squire, Stewart, Stockbridge, Washburn, Wolcott. NAYS: Barbour, Bate, Blackburn, Call, Carlisle, Cockrell, Coke, Colquitt, Daniel, Faulkner, Gibson, Gorman, Hampton, Harris, Jones, of Ark., Kenna, McPherson, Pasco, Pugh, Ransom, Reagan, Turpie, Vance, Vest, Vorhees, Walthall. *Record*, vol. xxi. part viii. p. 7109.

In the House. YEAS: Adams, Allen, of Mich., Anderson, of Kansas, Atkinson, of Pa., Atkinson, of W. Va., Baker, Banks, Bartine, Bayne, Beckwith, Belknap, Bergen, Bliss, Bowden, Brewer, Brossius, Brower, Buchanan, of N. J., Burton, Caldwell, Cannon, Carter, Caswell, Cheadler, Cogswell, Coleman, Comstock, Conger, Connell, Cooper, of Ohio, Cutcheon, Dalzell, Darlington, Dingley, Dolliver, Dorsey, Dunnell, Farquhar, Featherston, Finley, Flick, Flood, Frank, Funston, Gear, Gest, Gifford, Grosvenor, Haugen, Henderson, of Ill., Henderson of Ia., Hermann, Hill, Hist, Hopkins, Houk,

political considerations it was as Mr. Walker said, "the most stupendous financial folly sane men ever engaged in."[4]

In the preceding consideration of the silver debate of 1890, its external history has been reviewed, the arguments have been analyzed and classified, and the political character of the transaction disclosed. From this study it must be concluded that, economically considered, the debate shows a deplorable weakness, and points to a need among our public officials, as well as among the people, for greater attention to economic studies. Considered socially, it emphasizes this fact, that so long as economic problems are treated by the American people, as the legitimate prey of political parties, no consistent financial policy, or relief from present financial and economic governmental errors is to be expected.

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Kelly, Kennedy, Ketchem, Kinsey, Lacey, LaFollette, Laidlaw, Laws, Lehlbach, McComas, McCord, McCormick, McDuffie, McKenna, Moffitt, Morey, Morrill, Morrow, Morse, Mudd, Niedringhaus, O'Neill, of Pa., Osborne, Owen, of Ind., Payne, Payson, Perkins, Peters, Pickler, Post, Quackenbush, Raines, Ray, Reed, of Ia., Reyburn, Rife, Rockwell, Rowell, Russell, Scull, Simonds, Smith, of Ill., Smith, of W. Va., Snider, Spooner, Stephenson, Stewart, of Vt., Stivers, Stockbridge, Sweney, Taylor, E. B., Taylor, of Ill., Taylor, J. D., Thomas, Thompson, Townsend, of Colo., Townsend, of Pa., Vanderer, Van Schaick, Walker, of Mass., Wallace, of N. Y., Williams, of Ohio, Wilson, of Ky., Wilson, of Wash., Wright, Yardley.

NAYS: Abbott, Allen, of Miss., Anderson, of Miss., Bankhead, Barwig, Bland, Blount, Boatner, Breckenridge, of Ark., Breckenridge, of Ky., Bridner, Brookshire, Brunner, Buchanan, of Va., Bulloch, Bynum, Candler, of Ga., Carlton, Catchings, Chipman, Clancy, Clunie, Cooper, of Ind., Cothran, Crain, Crisp, Culberson, of Tex., Davidson, Dibble, Dockery, Dunphy, Elliott, Ellis, Enloe, Forman, Forney, Goodnight, Hayes, Heard, Hemphill, Henderson, of N. C., Holman, Hooker, Kerr, of Pa., Lanham, Lawler, Lester, of Va., Lewis, Maish, Martin, of Ind., Martin, of Tex., McAdoo, McClamnay, McClellan, McCreary, McMillin, McRae, Mutchler, Norton, Oates, O'Neall, of Ind., O'Neil, of Mass., Owens, of Ohio, Parrett, Paynter, Peel, Penington, Pierce, Price, Quinn, Reilly, Robertson, Rogers, Rusk, Sayers, Shirley, Stewart, of Tex., Stockdale, Stone, of Ky., Stone, of Mo., Tillman, Tracey, Venable, Wheeler, of Ala., Whitthorne, Wike, Willcox, Williams, of Ill., Wilson, of W. Va., Yoder. *Record*, vol. xxi. part viii. p. 7226.

[4] Worcester *Sunday Telegram*, July 2, 1893 (letter from Congressman Walker, of Mass., to the New York *Tribune*).